

RECORDATION NO. 21526 FILED 1425

FEB 14 1997 - 11 35 AM

ALVORD AND ALVORD
ATTORNEYS AT LAW
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

February 14, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are ~~two~~ ^{three} (3) copies of a Supplemental Security Agreement No. Two, dated as of February 12, 1997, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Loan and Security Agreement previously filed with the Board under Recordation Number 20526

The names and addresses of the parties to the enclosed document are:

Lender: MetLife Capital Corporation
10900 NE 4th Street, Suite 500
Bellevue, Washington 98004

Borrowers: WATCO, Inc
Inman Service Company, Inc
Titan Rail Services, Inc
315 West Third Street
Pittsburg, Kansas 66762

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A attached to the Supplemental Security Agreement.

RECEIVED
SURFACE TRANSPORTATION
BOARD

FEB 14 11 33 AM '97

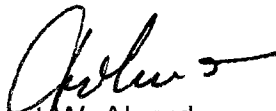
Counterpart - E. M. Lester

Mr. Vernon A Williams
February 14, 1997
Page 2

Also enclosed is a check in the amount of \$2 00 payable to the order of the
Surface Transportation Board covering the required recordation fee

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Alvord', followed by a horizontal flourish.

Robert W Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

Alvord and Alvord
918 Sixteenth Street, NW.
Suite 200
Washington, DC 20006-2973

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of

the Interstate Commerce Act, 49 U.S.C. 11303, on 2-14-97 at 11:35 AM, and

assigned recordation number(s).

20526-B.

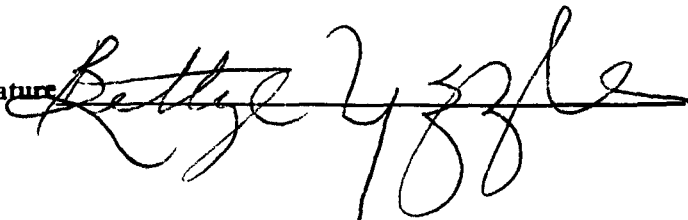
Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

\$ 22.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



FEB 14 1997 11 42 AM

SUPPLEMENTAL SECURITY AGREEMENT NO. TWO
LOAN #2001697-002

This Supplemental Security Agreement is executed by WATCO, Inc., Co-Borrower and Inman Service Company, Inc., Co-Borrower, Titan Rail Services, Inc., Co-Borrower ("Borrower") pursuant to the terms of a Loan and Security Agreement dated January 28, 1997 between Borrower and MetLife Capital Corporation ("Lender"). All capitalized terms used herein that are not otherwise defined herein shall have the respective meanings given to such terms in the Loan and Security Agreement.

In order to provide security for the payment and performance of Borrower's obligations under the Loan Documents, Borrower has granted to Lender a first priority security interest in the Collateral. In addition to said grant, Borrower intends by this Supplemental Security Agreement to grant to Lender a first priority security interest in the items of Equipment identified herein.

1 To further secure the payment and performance of all of Borrower's obligations to lender under the Loan Documents, Borrower hereby grants to Lender a first priority security interest in the items of Collateral described below, including all present and future additions, attachments and accessories thereto, all substitutions therefor and replacements thereof and all proceeds thereof, including all proceeds of insurance.

Qty.	Model/Mfr.	Description	Serial No.	Cost or Appraised Value
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See the attached exhibit "A" of railcars, herein incorporated by this reference

TOTAL				\$360,000.00
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2 Borrower hereby (a) affirms that the representations and warranties set forth in Section 5 of the Loan and Security Agreement are true and correct as of the date hereof, (b) represents and warrants that Lender has a first priority security interest in the Collateral, and (c) represents and warrants that the above described equipment will be maintained at the following location(s):

2150 East Cargo Street
Pasco, WA 99301

3 The Loan Amount for loans to be made pursuant to this Supplemental Security Agreement is \$360,000.00

4 The Commitment Expiration Date for loans to be made pursuant to this Supplemental Security Agreement is February 28, 1997.

5 The amount of liability insurance required to be maintained by Borrower pursuant to Section 6(d) of the Loan and Security Agreement is \$2,000,000.00.

6 All of the terms and provisions of the Loan and Security Agreement are hereby incorporated in and made a part of this Supplemental Security Agreement to the same extent as if fully set forth herein.

In witness whereof, Borrower has executed and delivered this Supplemental Security Agreement this 12th day of February, 1997.

Borrower	<u>Titan Rail Services, Inc., Co-Borrower</u>	Borrower	<u>WATCO, Inc., Co-Borrower</u>
By	<u><i>Donald D. Orender</i></u>	By	<u><i>Charles R. Webb</i></u>
(Print Name)	<u>Donald D. Orender</u>	(Print Name)	<u>Charles R. Webb</u>
Title	<u>C.F.O.</u>	Title	<u>President</u>

Borrower	<u>Inman Service Company, Inc., Co-Borrower</u>
By	<u><i>Donald D. Orender</i></u>
(Print Name)	<u>Donald D. Orender</u>
Title	<u>Controller</u>

SHIP/RECD		IND	DATE	CAR	ID	DESCRIPTION	QTY	UOM	PRICE	AMOUNT
S	12-06-96	MP	710710	MP	710710	710709	1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710748	MP	710748		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710820	MP	710820		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710854	MP	710854		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710892	MP	710892		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710893	MP	710893		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710915	MP	710915		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710921	MP	710921		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710937	MP	710937		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710941	MP	710941		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	710981	MP	710981		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711075	MP	711075		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711094	MP	711094		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711626	MP	711626		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711699	MP	711699		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711715	MP	711715		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711721	MP	711721		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711745	MP	711745		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711767	MP	711767		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711810	MP	711810		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	711904	MP	711904		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	712112	MP	712112		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	712239	MP	712239		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	MP	715217	MP	715217		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	UP	021860	UP	21860		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	UP	022683	UP	22683		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	UP	022831	UP	22831		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	UP	076053	UP	76053		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	UP	081116	UP	81116		1.00	EA	\$12,000.00	\$12,000.00
S	12-06-96	UP	081898	UP	81898	81891	1.00	EA	\$12,000.00	\$12,000.00
TOTAL									\$360,000.00	

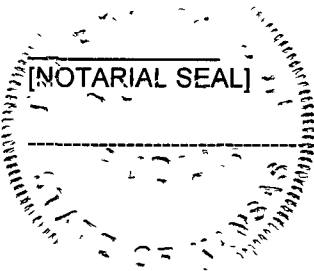
ACKNOWLEDGEMENT

State of Kansas

County of Crawford

On this 12th day of February, 1997, before me, a Notary Public, personally appeared Charles B. Webb, President ~~and~~ _____ respectively of **WATCO, Inc.** who executed the foregoing instrument and acknowledged that said instrument was the free and voluntary act, for the uses and purposes therein mentioned

Jamera Hanson
NOTARY PUBLIC
My commission expires
Nov. 12, 2000



ACKNOWLEDGEMENT

State of Kansas

County of Crawford

On this 12th day of February, 1997, before me, a Notary Public, personally appeared Donald D. Orender, Controller ~~and~~ _____ respectively of **Inman Services Company, Inc.** who executed the foregoing instrument and acknowledged that said instrument was the free and voluntary act, for the uses and purposes therein mentioned

Jamera Hanson
NOTARY PUBLIC
My commission expires
Nov. 12, 2000

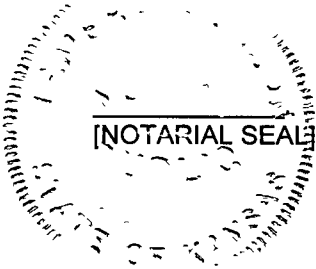


ACKNOWLEDGEMENT

State of Kansas

County of Crawford

On this 12th day of February, 1997, before me, a Notary Public, personally appeared Donald D. Orender, C.F.O. ~~and~~ respectively of **Titan Rail Services, Inc.** who executed the foregoing instrument and acknowledged that said instrument was the free and voluntary act, for the uses and purposes therein mentioned



Jamera Hansen
NOTARY PUBLIC
My commission expires
Nov. 12, 2000